

FOIA MARKER

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Folder Title:

China (September to October 1999, POTUS - Jiang Bilateral at APEC, New Zealand) [12]

Staff Office-Individual:

National Economic Council-Lee, Malcolm

Original OA/ID Number:

CF 1177

Row:	Section:	Shelf:	Position:	Stack:
23	5	6	1	V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. draft	Points to be Made for Bilateral Meeting with President Jiang Zemin. (2 pages)	08/20/1999	P1/b(1)
002. note	China Trade (1 page)	c. 09/1999	P1/b(1)
003. draft	Bilateral Meeting with Chinese President Jiang Zemin. (10 pages)	10/1999	P1/b(1)
004. draft	Points to be Made for Trilateral Meeting with President Kim Dae-jung and Prime Minister Keizo Obuchi. (4 pages)	10/1999	P1/b(1)
005. draft	Duplicate of 004. (5 pages)	10/1999	P1/b(1)
006. list	Visit of President Clinton to Auckland, New Zealand. Site Officers Contact List. (4 pages)	09/09/1999	b(2), P6/b(6), b(7)(C), b(7)(E), b(7)(F)
007. memo	For Samuel Berger, Gene Sperling, Jim Steinberg, Lael Brainard et al. Subject: China WTO Points for Bilat. (4 pages)	09/1999	P1/b(1)
008. draft	Duplicate of 002. (1 page)	c. 09/1999	P1/b(1)
009. letter	President Jiang Zemin to President William Clinton. [English Translation] (1 page)	09/01/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1177

FOLDER TITLE:

China (September to October 1999 - Jiang Bilateral at APEC, New Zealand) [12]

2010-1024-F
vz1858

RESTRICTION CODES

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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JAPAN/KOREA STEEL ACTION PLAN

JAPAN: Action Plan called for

- ① reduce exports to pre crisis levels
- ② dialogue to discuss unfair practices that support excess capacity, and fair

Congress of the United States
House of Representatives
Office of the Democratic Leader
Washington, DC 20515-6537

August 6, 1999

Mr. John Podesta
Chief of Staff
The White House
Washington, DC 20500

DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 12958 as amended, Sec. 3.3 (c)

Initials: RZ Date: 2/4/243
2010-1024-F

Dear John:

Thank you for engaging House Democrats in a continuing dialogue on China and other trade issues this year. The following ~~confidential~~ memo outlines the parameters of what I believe should substantively be in a WTO accession agreement for China to gain the full support of a substantial portion of House Democrats. In addition to the actual agreement, strong new enforcement mechanisms and a new and meaningful approach on human rights would also be necessary to win the endorsement of Democrats in the House.

Your reaction to this memo would be appreciated. I look forward to working with the President, the White House staff and trade policy officials in the Administration toward attaining a China WTO deal that the vast majority of Democrats can support.

Sincerely,



Richard A. Gephardt

M E M O R A N D U M

~~Confidential~~

To: John Podesta
From: Democratic Leader Gephardt
Date: August 6, 1999
Subject: China

DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 12958 as amended, Sec. 3.3 (c)
Initials: VP Date: 2/4/2003

2010 -1024 -F

I wanted to follow up on the meetings we have had on trade policy in general, and our specific discussions on the negotiations that are underway to allow China to become a member of the WTO. This memorandum outlines a number of objectives I believe are important to successfully completing an agreement that will garner significant support among Democrats. I am a strong believer in a rules-based approach, having been an early and vocal supporter of the GATT and the WTO. I want to be able to work with you and the Administration as a partner in ensuring the successful conclusion of an agreement. I am prepared to work for the passage of an agreement that advances our basic interests in trade and that promotes a rising standard of living.

The first test, of course, is whether the agreement protects and enhances our economic interests. While there are a number of important areas where changes must still be achieved, the basic agreement that was outlined by Ambassador Barshefsky some time ago represents real progress on many of the issues.

But we both understand that once a good deal with China is negotiated an effort to grant permanent MFN will begin. I have opposed granting MFN for China in recent years because I have not believed that effective mechanisms or policies have been in place to ensure that we can continue to press forward on the important issue of human rights. Eliminating MFN has not been my objective: progress on human rights is the ultimate goal.

Accordingly, as we have discussed, I want to work with the Administration on developing a meaningful and effective alternative mechanism providing for an annual evaluation, with potential action to follow, to achieve real progress on human rights, labor rights and the rule of law. I look forward to working with you, Nancy Pelosi and other and key Democratic Members of Congress to develop the specifics of such a program.

In addition, a parallel process must be developed to insure that China implements and adheres to existing trade agreements. China does not have a stellar record on this important matter. I believe that bilateral and multilateral mechanisms can be developed in this area.

John Podesta
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Page 2

Taking the above approach with China will help insure that we can collectively forge a new Democratic consensus on China trade. If we are able to build confidence among House Democrats for this type of progressive engagement with China, other important items on the President's trade agenda would become easier to achieve as well. The political implications of all of this in 2000 are also clear.

Clearly, the summary of the deal released in April shows major progress on both market access and protocol issues. I view these accomplishments as a very solid floor upon which we can build an acceptable agreement. With a few more concessions from the Chinese, I believe you will have achieved our mutual goal, a strong substantive pact to bring China into the WTO, in a manner that strengthens rather than weakens this regime.

When negotiations are completed, I hope to be able to endorse a final agreement on China's accession to the WTO. Before the next round of negotiations are entered into, I wanted to share some of the objectives that I believe should be addressed in any final negotiating sessions. At the moment, I still have concerns about both the agreement itself and enforcement issues.

I understand the Clinton Administration obtained Chinese commitments to reduce average industrial tariffs from 25 to 9 percent, full distribution rights for US firms in China after a phase-in period, elimination of most quotas in five years, phase out of export performance requirements, and the phasing out of many geographical restrictions. This is an impressive record thus far.

My understanding is that assuming all the commitments made by Premier Zhu are kept by the Chinese, there are several outstanding issues still subject to negotiations. First and foremost on the protocol side, I urge you to continue to press for full preservation of all US trade laws to combat Chinese unfair trade practices, and resulting potential import surges from China. Our domestic industry and its workers need to be assured that all currently available tools to combat unfair trade will continue to be available.

China must provide the full ten-year phase-out of bilateral textile quotas upon its accession, just as other WTO members have done. This is vital to a critical US industry that employs over one million US workers. In addition, on the market access side, China must provide better marketing opportunities for the American movie industry with provisions for access to box office revenue. Finally, China must agree to foreign financing of auto sales.

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Page 3

Several other important areas must also be addressed: China should improve their market access offers for US banks and securities firms. In addition, China should commit to full distributional rights and contracting of artists for our recording industry. Finally, my understanding is that the pharmaceutical industry still has IPR concerns and that both pharmaceuticals and insurance have market access concerns.

Again, the preservation of US trade laws is the most important of the outstanding issues.
Specifically, I have three objectives in this area:

- A) Preservation of Section 406 of the trade act of 1974 for nonmarket economies must occur until China has implemented all of its WTO commitments and beyond until state enterprises comprise a much smaller percentage of the Chinese economy. I understand the Administration is supportive of this objective. As you know, Section 406 is a revision of our Section 201 law for non market economies with a lower threshold "market disruption" rather than "substantial" injury standard. I urge you to obtain China's commitment not to retaliate against any action taken under this statute. The 1994 draft protocol assured no Chinese retaliation, but the 1997 draft did not.
- B) Full applicability of Super 301, Section 301 and Special 301 to non-market economies need to be preserved for the full transition period. The threat of 301 retaliation enabled the Administration to obtain the strong 1996 IPR Agreement with the Chinese. As you know, the WTO has severely constrained US ability to utilize this law against other WTO members.
- C) The US Countervailing duty law must be applied immediately to China. The Chinese provide massive subsidies to their state enterprises. It was wrong and arbitrary to determine as we did years ago, that nonmarket economies by definition provide no subsidies.

In addition, a series of other measure will be important to building confidence in the Congress that the Chinese will live up to their commitments. I believe it essential that we obtain full Chinese enforcement of all bilateral trade agreements including the 1992, 1995 and 1996 IPR agreement and the 1992 MOU on various industrial and agricultural sectors.

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August 6, 1999
Page 4

As you know, another 1992 MOU prohibited trade in prison labor products. At present, up to 8 million Chinese toil at slave labor. The Chinese have not allowed any inspections to determine if they are living up to their commitments on this issue. The US government must get Chinese permission to inspect sites suspected of sending prison labor products. This is just the first step on the China labor rights question that is critical to all Members that have concerns about human rights and labor rights.

In addition, the US Treasury Department must do a better job enforcing the long-standing US law prohibiting the importation of all goods made with forced or prison labor. Fully implementing that prohibition is critical to attaining a Congressional consensus in support of a WTO accession agreement for China.

Over time, China must work toward freeing its labor market by allowing full internal migration, and a commitment to the ILO's five basic labor rights, including the right to organize.

I have been an advocate of the inclusion of labor rights and environmental enforcement provisions in future trade agreements and believe that we should advance this issue with the Chinese. Concurrently, we should aggressively pursue the inclusion of these issues as part of the Seattle Ministerial. Ultimately, labor and environmental issues need to be treated the same as "traditional" trade issues.

Also, many in the Congress will insist that China and the US agree that Taiwan will join the WTO simultaneous to China's accession. It is unfortunate that an important economy in a much better position to meet its WTO commitments has to wait for China. I am also hoping that the Administration's emphasis on transparency will yield rapid Chinese publication of all laws, regulations and directives affecting exports and imports.

Another important issue is US monitoring of Chinese phase-out of tech transfer, production and offset requirements. Strong and creative bilateral and multilateral approaches to monitoring phase-out of Chinese offset requirements will help to build support in domestic US industry and in key industrial unions for the deal. Attention to the offset and tech transfer issues will assure continued US technological superiority and enhancement of US jobs and industrial base. More broadly, I want to work with the Administration, and key labor and business leaders to develop a better and more comprehensive strategy to address the global offset issue. It is unacceptable that foreign governments can require companies to give away their technological edge to attain a deal.

Finally, it is my belief that the US government should work with other G7 countries to fund and design a technical assistance program to assist China and other developing nations in meeting

John Podesta
August 6, 1999
Page 5

their WTO commitments. This program could be administered by the WTO or by NED or one of the other US aid agencies. Part of the problem in China is lack of a system of rule of law and the genuine confusion about what is required to join the WTO. Technical assistance will help combat these problems. I will work with you to obtain resources for such an endeavor.

I look forward to your reaction to these areas of concern regarding Chinese accession to the WTO. I pledge to work constructively with you to develop a new Democratic consensus on China trade policy. It is my belief that this new approach can be applicable to the Seattle Ministerial, fast track and indeed the entire trade agenda.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. draft	Points to be Made for Bilateral Meeting with President Jiang Zemin. (2 pages)	08/20/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1177

FOLDER TITLE:

China (September to October 1999 - Jiang Bilateral at APEC, New Zealand) [12]

2010-1024-F
vz1858

RESTRICTION CODES

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Malcolm Lee
OA/Box Number: CF 1177

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003. draft	Bilateral Meeting with Chinese President Jiang Zemin. (10 pages)	10/1999	P1/b(1)

COLLECTION:

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National Economic Council
Malcolm Lee
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FOLDER TITLE:

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Lee, Malcolm R.

From: WHSR
Sent: Wednesday, September 08, 1999 11:46 PM
To: Duncan, John D. (INTECON/DOS); Hammonds, D. Holly (INTECON); Holtzapple, Richard A.; Huso, Ravic R. (ASIA); Keith, James R. (ASIA); Lee, Malcolm R.; Lieberthal, Kenneth G. (ASIA); Osius, Theodore G. (VP); Pritchard, Charles (Jack) L. (ASIA); Schaefer, Matthew P. (INTECON); Shah, Sonal R.
Subject: Japan-Economy
CLASS: INTERNATIONAL
ORIG: AP/East
PREC: RUSH
TOR: 990908232747 A0368399

a0404

^AM-Japan-Economy, 1st Ld-Writethru,0591<

^Japan's economy grows 0.2 percent in second quarter of 1999

^Eds: UPDATES with comment, analysis, detail throughout. No pickup.

Version also moving on financial wire.<

^By JOJI SAKURAI=

^Associated Press Writer=

TOKYO (AP) In more good news for Japan's economy, the country's gross domestic product grew 0.2 percent in the second quarter of 1999, the government said Thursday.

It marked the second quarter in a row of growth after 2.0 percent in the period from January through March, an indication that Japan's worst recession in 50 years may be over.

The economy grew 0.2 percent in the April-June quarter from the previous three months, or at an annualized rate of 0.9 percent, the Economic Planning Agency said.

The growth was a surprise as economists surveyed by Dow Jones Newswires had predicted Japan's GDP would contract 0.3 percent in the second quarter from the first.

The economy shrank 0.7 percent in the second quarter last year.

The Economic Planning Agency said the rise in GDP was due largely to public works spending and housing investment in the April-June period.

"I was expecting personal consumption and housing investment to be strong, but (the numbers) were even better than expected," said Jun Ishii, chief market economist at Tokyo-Mitsubishi Securities.

The second-quarter data follows a startling growth spurt in the first, in which GDP grew 2.0 percent, or a revised 8.1 percent on an annualized basis.

Another positive sign in the GDP data was that private-sector consumption rose 0.8 percent in the second quarter, showing that battered consumer confidence a major cause of Japan's economic downturn may be reviving.

Housing investment rose 16.1 percent an unprecedented pace in Japan on a quarterly basis.

"The 16.1 percent quarter-on-quarter jump in private housing investment is a record high, surpassing 15.6 percent recorded in 1959," said an EPA official, briefing reporters on condition of anonymity. "This greatly contributed to a relatively high level of private demand."

However, private capital investment declined as big corporations continue to tighten their purse strings, the official said.

Public investment also fell, but that was due to the massive government spending of the previous quarter, he said.

Top economic officials appeared to take the data in stride, but still urged caution.

"It was within the high end of the strike zone," said Japan's chief economic planner Taiichi Sakaiya. "We will have to be very careful in our economic policies from now on."

Sakaiya declined to comment on the size of an expected supplementary budget designed to keep economic growth on track.

Japanese Prime Minister Keizo Obuchi, who took office in July

last year, has promised to put Japan's economy on a recovery path, with at least 0.5 percent annual growth.

There have been other bright signs in the economy. The government announced earlier this week that increasing demand from Asian countries was behind recent growth in Japan's industrial output.

A closely watched government business survey showed that Japanese corporate sentiment improved sharply in the April-June quarter and is expected to rise further in the next two quarters.

Still, joblessness has been rising steadily amid attempts by corporations to aggressively reorganize. In June, the unemployment rate hit a record high 4.9 percent, and many think it will climb further as restructuring accelerates.

APE- 09/08/99 23:21:00

Lee, Malcolm R.

From: WHSR
Sent: Thursday, September 09, 1999 9:26 AM
To: Bowles, Ian A. (ENV); Duncan, John D. (INTECON/DOS); Hammonds, D. Holly (INTECON); Holtzapple, Richard A.; Huso, Ravic R. (ASIA); Keith, James R. (ASIA); Lee, Malcolm R.; Lieberthal, Kenneth G. (ASIA); Osius, Theodore G. (VP); Pritchard, Charles (Jack) L. (ASIA); Schaefer, Matthew P. (INTECON); Shah, Sonal R.
Subject: TAIWAN:PRCDemandsWTOEn
CLASS: INTERNATIONAL
ORIG: FBIS
PREC: RUSH
TOR: 990909090826 F0372284

F9132
FBIS S 132SEP09
UNCLAS 1V

TAIWAN: PRC Demands WTO Entry Ahead of Taiwan OW0909130999 (Internet)
Taiwan Central News Agency WWW in English 0806 GMT 09 Sep 99

By Peter Chen]

[FBIS Transcribed Text] Auckland, Sept. 9 (CNA) -- The draft statement on the results of senior officials' meeting (SOM) of the APEC conference in Auckland is not finalized yet after mainland China wanted to change the original wording with a statement that Beijing must enter ahead of Taipei into the World Trade Organization.

The original SOM draft proposes that both China and Chinese Taipei be supported to join the WTO by the end of this year. But China wanted to change the wording, making it China be admitted to the WTO ahead of Chinese Taipei.

Delegates to the senior officials' meeting were unable to finalize the draft and it could be put before the APEC ministerial meeting, which starts Thursday to decide the final draft.

A Thai delegate said if the ministerial meeting remains deadlocked on the wording of the final SOM draft, the only way is just to drop the original wording.

[Description of source: Taipei CNA in English -- state run corporation, only nationwide news agency in Taiwan]

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1305z FBIS NNNN
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Lee, Malcolm R.

From: WHSR
Sent: Thursday, September 09, 1999 9:40 AM
To: Bowles, Ian A. (ENV); Duncan, John D. (INTECON/DOS); Hammonds, D. Holly (INTECON); Holtzapple, Richard A.; Huso, Ravic R. (ASIA); Keith, James R. (ASIA); Lee, Malcolm R.; Lieberthal, Kenneth G. (ASIA); Osius, Theodore G. (VP); Pritchard, Charles (Jack) L. (ASIA); Schaefer, Matthew P. (INTECON); Shah, Sonal R.
Subject: CHINA:ShiGuangsheng:PR
CLASS: INTERNATIONAL
ORIG: FBIS
PREC: RUSH
TOR: 990909093602 F0372473

F9137
FBIS S 137SEP09
UNCLAS 1B

CHINA: Shi Guangsheng: PRC, US Agree To Resume Talks On WTO OW0909133599
Beijing Xinhua in English 1322 GMT 09 Sep 99

[FBIS Transcribed Text] Auckland, New Zealand, September 9

XINHUA) -- China and the United States have agreed to resume negotiations on China's entry into the World Trade Organization

WTO), Chinese Minister of Foreign Trade and Economic Cooperation Shi Guangsheng said here Thursday.

Speaking to reporters after a meeting with U.S. trade representative Charlene Barshefsky, Shi said the U.S. side proposed through many channels recently that the two countries resume negotiations on China's entry into the WTO.

In particular, U.S. President Bill Clinton has formally proposed to Chinese President Jiang Zemin several times that the negotiations be resumed, he said.

"Proceeding from the general prospects for maintaining the development of Sino-U.S. relations, China agrees that the WTO negotiations be resumed," the minister said.

Describing his talks with Barshefsky as "constructive," Shi said that he and Barshefsky discussed issues relating to the resumption of the WTO negotiations.

In the talks, the two sides once again affirmed the importance of China's entry into the WTO, and agreed to make joint efforts for realizing this goal as early as possible, according to the Chinese minister.

Shi is in Auckland to attend the two-day ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum that opened Thursday in preparation for the 7th informal meeting of APEC leaders on September 12-13.

Earlier Thursday, Shi also held talks with Russian Trade Minister Mikhail Fradkov on issues of common concern.

[Description of source: Beijing Xinhua in English -- China's official news service for English-language audiences (New China News Agency)]

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them well, and I'm pleased that they seem to be turning around. It's a good thing for the world.

Q Are our relations with China on the mend now? And what are the prospect for signing a WTO deal with President Jiang?

THE PRESIDENT: Well, we've done our best to do what I think is the honorable and decent thing in the wake of the terrible accident involving the embassy in Belgrade. And we have made it clear in the recent tensions between Taiwan and China that we still strongly support the One China policy and the so-called "Three Nos." But we also believe that any differences between them should be resolved in a peaceful manner, and we feel very strongly about it.

I hope that those things and the passage of time will permit us to resume constructive conversations with the Chinese, beginning with my meeting with President Jiang, and I would very much like to resume the WTO negotiations. I think it would be good for China, good for the United States, and good for the world economic system. So I hope we'll be able to resume our talks, and if we resume them, obviously I hope we'll be able to bring them to a successful conclusion.

Q Sir, have you seen the new State Department report on religious persecution out today, and do you plan on talking about China's actions when you meet --

THE PRESIDENT: On what?

Q -- the State Department report on religious persecution. Have you seen that today, and do you plan on talking about China's actions, the allegations, when you see President Jiang on the weekend?

THE PRESIDENT: I have not seen it, but I will see it, and if I think it's appropriate, I'll certainly bring it up. I brought it up before, and as you remember, I actually sent a delegation of religious leaders to China to tour around the country and to talk to religious leaders in China and also talk to high representatives of the Chinese government about that. That's a big issue for the United States, we have legislation on it and it's a very large issue for me, personally.

I've been working on that issue ever since I got here and in many countries, so I look forward to having a chance to

Lee, Malcolm R.

From: WHSR
Sent: Friday, September 10, 1999 6:06 AM
To: Bowles, Ian A. (ENV); Duncan, John D. (INTECON/DOS); Hammonds, D. Holly (INTECON); Holtzapple, Richard A.; Huso, Ravic R. (ASIA); Keith, James R. (ASIA); Lee, Malcolm R.; Lieberthal, Kenneth G. (ASIA); Osius, Theodore G. (VP); Pritchard, Charles (Jack) L. (ASIA); Schaefer, Matthew P. (INTECON); Shah, Sonal R.
Subject: APEC-China
CLASS: INTERNATIONAL
ORIG: AP/East
PREC: RUSH
TOR: 990910054511 A0005930

a0526

^PM-APEC-China,0484<

^U.S. says China could still join WTO before November

^With PM-APEC-Trade; PM-APEC-What To Wear<

AUCKLAND, New Zealand (AP) China may still be able to join the World Trade Organization by November, when a new round of global trade talks begins.

But China will have to act quickly, now that it has agreed to resume formal negotiations with the United States on its WTO entry after a four-month hiatus, Commerce Secretary William Daley said.

"It's still possible," Daley said after meeting with Chinese Foreign Trade Minister Shi Guangsheng.

"It's a tight schedule, there's no doubt about it," he said.

"The delay over the last number of months has created a time problem."

China and the United States agreed Thursday after four months of acrimony over the U.S. bombing of the Chinese Embassy in Yugoslavia to restart talks on getting Beijing into the WTO.

The decision improves the atmosphere for a bilateral summit on Saturday in Auckland before the start of the 21-nation Asia Pacific Economic Cooperation summit.

A flurry of recent diplomatic activity has focused on giving President Clinton and Chinese President Jiang Zemin a chance to redirect relations toward the cordial course set at their last meeting, 15 months ago in Beijing.

Earlier today, APEC trade ministers agreed to endorse a new round of WTO trade talks that are to begin in Seattle in November. China has been eager to participate in that round as a WTO member.

Daley said that once U.S. and Chinese negotiators get "fully engaged," an agreement on China's membership could be reached in 2 to 2½ weeks.

"We're 90 percent there," he said.

Daley declined to say what issues remain unresolved. The United States has said China still needs to do more to open up its banking and securities industries to foreign competition.

It also wants to maintain quotas on imports of textiles from China, which Shi said today would be unacceptable.

"China will never agree to a discriminatory paragraph on keeping the textiles quota," he said at an APEC news conference.

Shi said he told Daley that China wants the United States to ease curbs on the export of high-tech equipment to China. He said he also reasserted China's desire to obtain normal trading privileges with the United States on a permanent basis. Currently those privileges are renewed annually.

China and the United States came close to agreeing on Chinese entry to the WTO in April, but Clinton rejected a broad market-opening offer put forward by Premier Zhu Rongji as insufficient.

China must also reach agreements with several other governments, including the European Union, before it can join the WTO.

"Certainly China is under some significant time pressure if it wishes to be a WTO member by the time of the Seattle meeting,"

U.S. Trade Representative Charlene Barshefsky said.

APE- 09/10/99 05:39:00

Lee, Malcolm R.

From: WHSR
Sent: Friday, September 10, 1999 4:00 AM
To: Bowles, Ian A. (ENV); Hammonds, D. Holly (INTECON); Lee, Malcolm R.; Lieberthal, Kenneth G. (ASIA); Pritchard, Charles (Jack) L. (ASIA); Schaefer, Matthew P. (INTECON)
Subject: CHINA:AFP:PRC,TaiwanBr
CLASS: INTERNATIONAL
ORIG: FBIS
PREC: RUSH
TOR: 990910033836 F0005181

F0066
FBIS S 066SEP10
UNCLAS 1N

CHINA: AFP: PRC, Taiwan Brawl Over World Trade Organization OW1009073799
Hong Kong AFP in English 0706 GMT 10 Sep 99

By Anil Penna]

[FBIS Transcribed Text] AUCKLAND, Sept 10 (AFP) - China and Taiwan clashed openly Friday over their entry into the World Trade Organisation (WTO) at the conclusion of a major Asia-Pacific conference here.

In a rare public spectacle played out before the world's media, they tried to score political points over their rival bids to enter the WTO.

China insists Taiwan, which it considers a renegade province, cannot join the WTO before it does.

New Zealand Foreign Minister Don McKinnon tried in vain to prevent questions from Taiwanese journalists dominating the 21-member Asia-Pacific Economic Cooperation (APEC) forum's joint news conference.

McKinnon interrupted when a second WTO question from a Taiwanese reporter was posed in the first minutes of the press conference, which marked the end of two-day ministerial talks.

The reporter had asked whether politics or economics were behind the WTO accession question and whether China believed Taiwan's wish for state-to-state relations with Beijing should influence the bid.

"I am just going to say I have attended now nine APEC meetings, they are becoming more and more dominated in the press conference by journalists from Chinese Taipei," said McKinnon.

"We don't need a constant run of questions from Chinese Taipei

- they are becoming a total dominant factor in APEC press conferences," said the New Zealand minister.

Taiwan's economic affairs minister, Wang Chih-Kang, tentatively asked: "Mr Chairman, will you allow me to answer the question or.."

But the moderator simply replied: "Next question please."

The next question was posed by a Chinese journalist to Chinese Foreign Minister Tang Jiaxuan, who replied that he wanted to answer the earlier question on Taiwan to "correct ignorance on history."

Taiwan could not join an international organisation such as the WTO as a separate state because it was part of China, and "this formula

will continue in the future," he insisted.

Wang then struck back, saying Taipei had been seeking membership of the multilateral trade system for 10 years. "Our application is independent, separate from other economies," he said.

China had the last word, however.

Taiwan was only recognised as a separate customs territory, said Tang in answer to another question, and its accession to the WTO must come after China's.

Despite McKinnon's efforts to canvass other issues, the Taiwan-China spat dominated, leading him to end the news conference early, saying other ministers had to leave.

"They really are very interested in Chinese Taipei but I think we have given you a good run on many subjects including Chinese Taipei, thank you very much for your attendance," he said.

A last-minute row between China and Taiwan earlier in the week forced APEC officials to drop a paragraph in the APEC ministerial declaration backing early accession for both economies.

China wanted a phrase specifically stating that it would enter first, officials here said, leading Taiwan to demand its deletion.

[Description of source: Hong Kong AFP in English -- Hong Kong service of the independent French press agency Agence France-Presse]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
008. draft	Duplicate of 002. (1 page)	c. 09/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1177

FOLDER TITLE:

China (September to October 1999 - Jiang Bilateral at APEC, New Zealand) [12]

2010-1024-F
vz1858

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
009. letter	President Jiang Zemin to President William Clinton. [English Translation] (1 page)	09/01/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Economic Council
Malcolm Lee
OA/Box Number: CF 1177

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